

Approved For Release 2003/05/27 : CIA-RDP86-00964R000100030002-2

1979

THE ANNUAL MEETING OF
YOUR
GOVERNMENT
EMPLOYEES
HEALTH
ASSOCIATION

Incorporated Under the Laws of the District of Columbia
in the Interest of Insurance Protection for Agency Employees

25X1

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PROVIDING A VARIETY OF INSURANCE PLANS

- LIFE INSURANCE

UBLIC
FEGLI
WAEPA

- HEALTH INSURANCE

ASSOCIATION BENEFIT PLAN
(HOSPITAL, MEDICAL & SURGICAL)
CONTRACT HOSPITALIZATION
SPECIFIED DREAD DISEASE PLAN

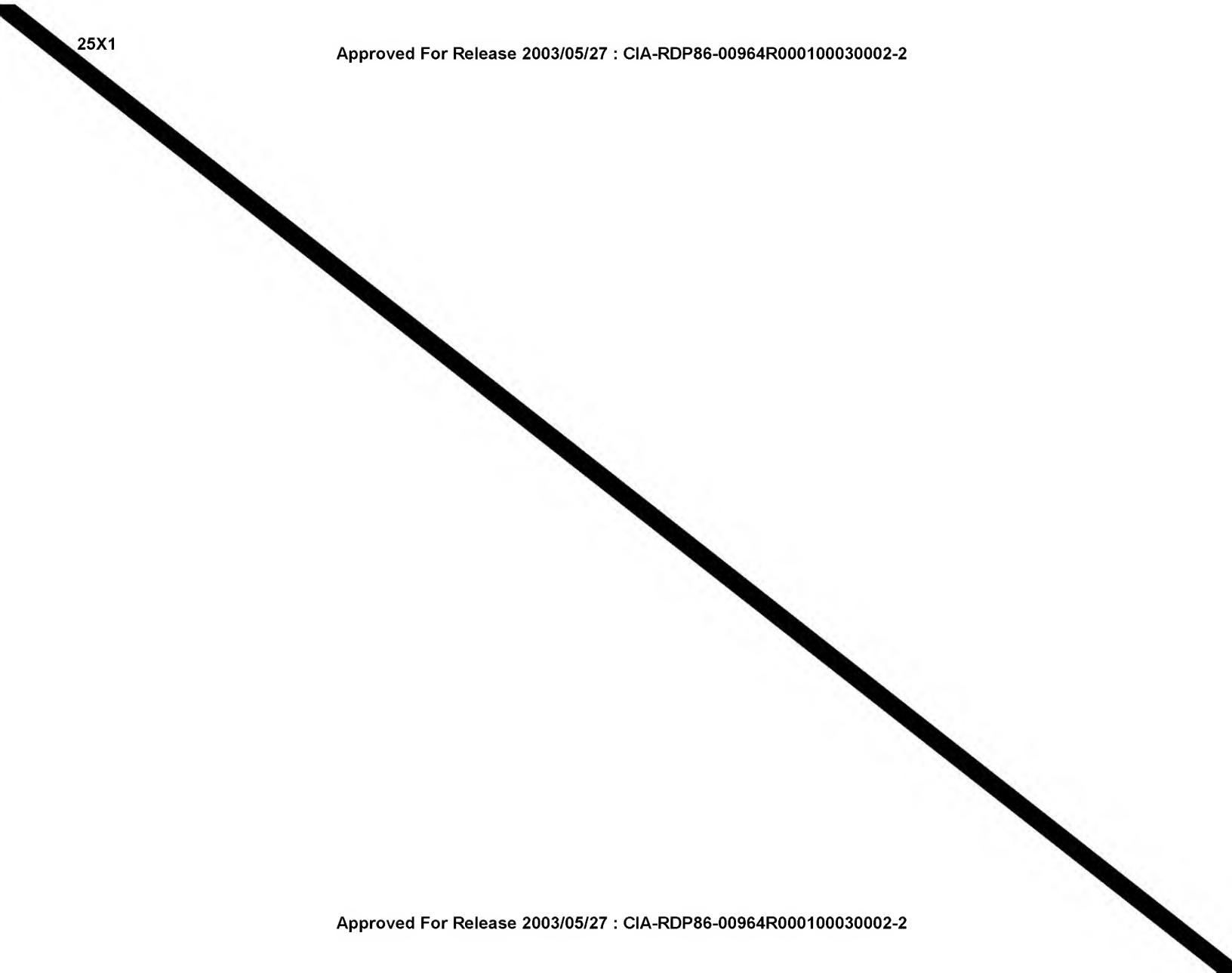
- DISABILITY INSURANCE (INCOME REPLACEMENT PLAN)

- ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE (24 HOUR FAP)

- TRAVEL INSURANCE

AIR FLIGHT TRIP
MILITARY AIR FLIGHT TRIP

25X1



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Enrollment in the Association Benefit Plan for 1978 was 36 more than 31 December 1977 figure.

Enrollment in the Contract Health Plan for 1978 was 8 less than the 31 December 1977 figure.

Paid Health Insurance Benefits increased by \$1,450,186 over 1977. The number of health insurance claims processed increased by over 14,000.

There were more than 5,500 retirees participating in the Association Benefit Plan during 1978. Retiree claim benefits accounted for \$5,000,000 of the 1978 benefits totalling \$13,231,792.

STATINTL

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LIFE INSURANCE

Comparison with 31 December 1977 figures

| | | |
|-----------|----------------------------|---|
| UBLIC | - Policies increased by 39 | Insurance coverage decreased by \$1,247,752 |
| WAEPA | - Policies increased by 9 | Insurance coverage increased by \$1,713,000 |
| Contract- | Policies decreased by 13 | Insurance coverage decreased by \$140,000 |

On 1 January 1979, the Contract Life Insurance Plan was merged with the UBLIC Life Insurance Plan. This merger resulted in increased benefits for all Contract Life participants. Prior to the merger, and based on salary, Contract Employees were eligible for only three levels of life insurance (\$5,000-\$10,000-\$15,000). There were no dependent or retirement benefits. As a result of the merger Contract Employees may select coverage from \$5,000 to \$36,000 and up to \$3,000 dependent coverage and retirement benefits.

On 1 July 1978, WAEPA increased the amount of insurance coverage for all active employees (up to 25% depending on age). At the same time dependent coverage was also increased to a maximum of \$6,000. Both increases were effected without an increase in premiums.

UBLIC RETIREE COVERAGE

31 DECEMBER 1978

\$35,205,697 of Life Insurance Continued After Retirement

| | | |
|----------------------------|------------------------|--------------|
| 1120 Retirees Under Age 60 | With Coverage Totaling | \$32,195,000 |
|----------------------------|------------------------|--------------|

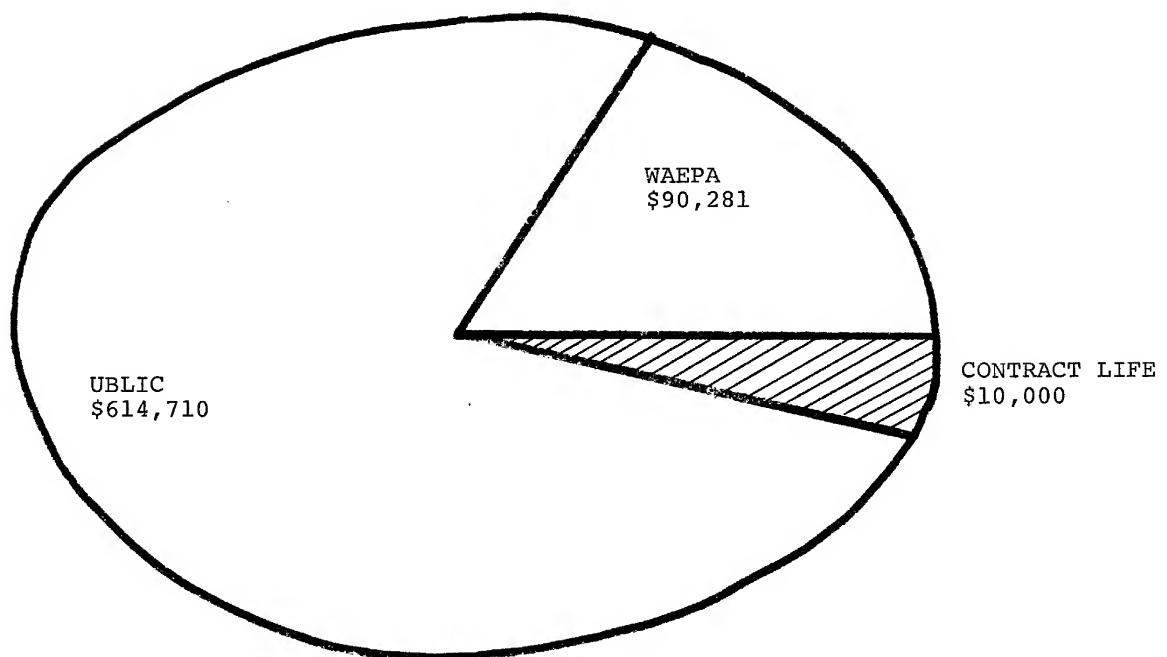
| | | |
|---------------------------|-----------------------------|--------------|
| 782 Retirees Age 60 to 70 | With Free Coverage Totaling | \$ 2,892,373 |
|---------------------------|-----------------------------|--------------|

| | | |
|-----------------------------|-----------------------------|------------|
| 89 Retirees Age 70 or Older | With Free Coverage Totaling | \$ 118,324 |
|-----------------------------|-----------------------------|------------|

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LIFE INSURANCE BENEFITS PAID IN 1978

\$704,991



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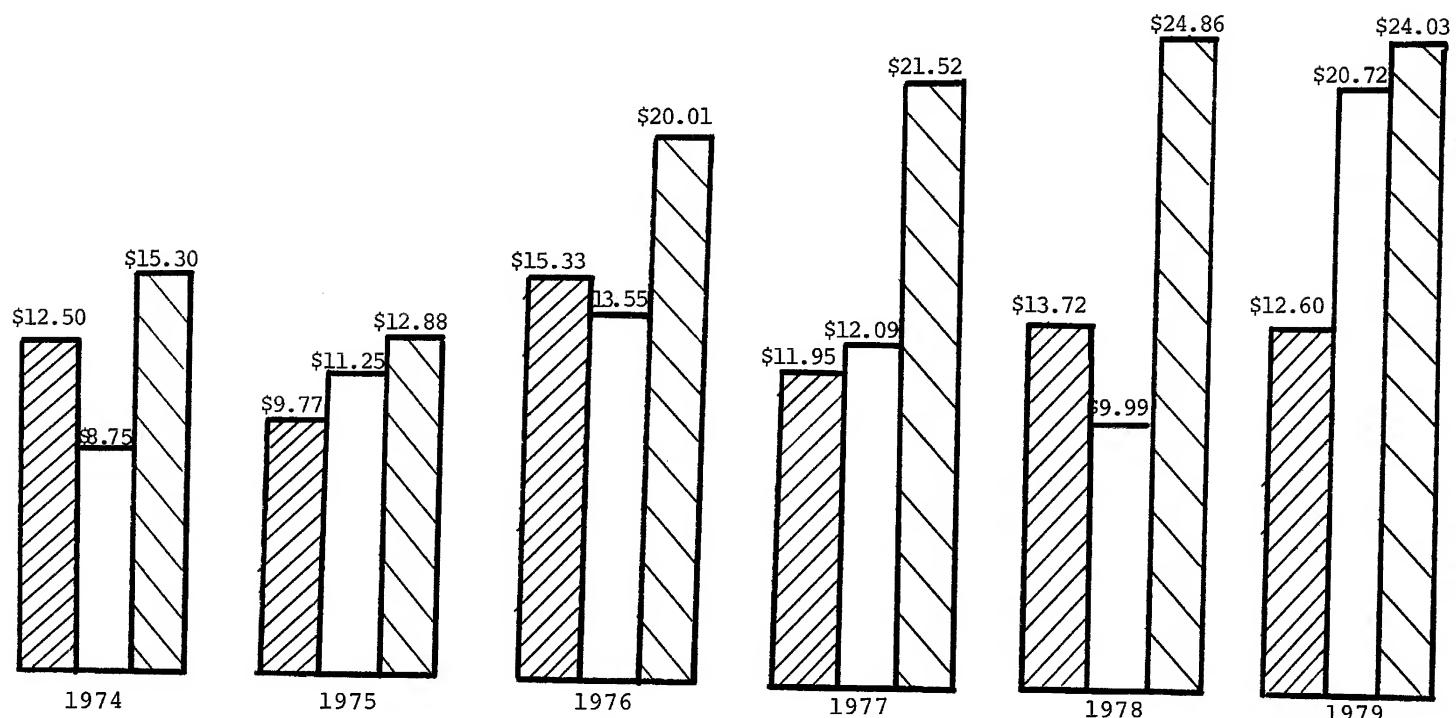
Comparison with 1977 Benefits

| | |
|---------------------|-----------|
| UBLIC benefits up | \$130,735 |
| WAEPA benefits down | \$ 26,074 |
| Contract Life up | \$ 10,000 |

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EMPLOYEE SHARE OF SELF AND FAMILY HEALTH INSURANCE PREMIUM

AETNA, BLUE CROSS-BLUE SHIELD AND ASSOCIATION BENEFIT PLAN

1974 - 1979



AETNA

ASSOCIATION BENEFIT PLAN

BLUE CROSS-BLUE SHIELD

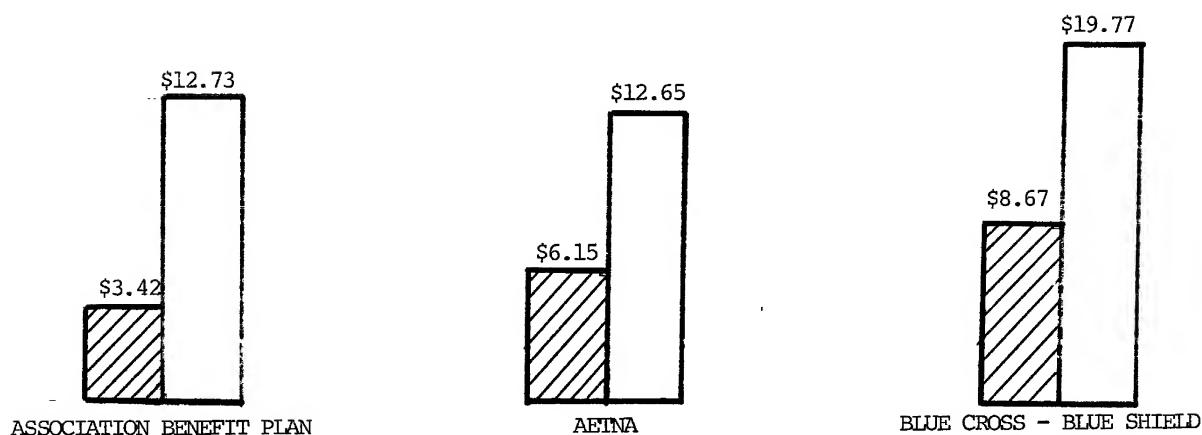
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AVERAGE EMPLOYEE SHARE OF HEALTH INSURANCE PREMIUM

FOR SELF ONLY AND SELF AND FAMILY COVERAGE

1974 - 1979



SELF ONLY



SELF AND FAMILY

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I. UBLIC LIFE INSURANCE PLAN

For the third consecutive year, the UBLIC Plan experienced a favorable claims to premium ratio during the contract year ending 31 July 1978. There were 45 deaths resulting in paid benefits of \$614,709.71. This favorable experience resulted in a refund of premium to GEHA of \$181,000. As in previous years, the refund of premium was invested in GEHA's portfolio to provide insurance coverage for the free retiree portion of the UBLIC plan.

II. GEHA INVESTMENTS

In 1976 GEHA's Investment Committee recommended, and the Board approved, the investment firm of Basic Economic Analysis (BEA) Associates, Inc. for investment supervision and management of GEHA assets. Within GEHA's guidelines and investment objectives, BEA has the authority to determine what securities will be bought and sold. After 30 months of successful BEA management the GEHA portfolio continues to prosper. Even though some predictions for 1979 see further tightening in monetary policy and a possible recession, the portfolio is well positioned and is expected to provide a substantial return to GEHA.

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III. INSURANCE BRANCH CLAIMS BACKLOG

During 1978 the Association Benefit Plan has made significant progress in reducing their medical claim backlog. The following statistics indicate the claims backlog for the 1978 quarters ending:

| | |
|------------------------|---------|
| March | 7 weeks |
| June | 4 weeks |
| September | 4 weeks |
| December | 3 weeks |
| March 1979 1 1/2 weeks | |

At the present time our Plan has a backlog of approximately 1,000 medical claims. This figure represents less than a two week delay in claims settlement processing. By industry standards and for this time of year, this figure is more than competitive with other Federal Health Plans. As in years past, this backlog is caused by enrollees waiting to submit major medical claims until the end of the year or in time for income tax preparation. Adding to the burden of this large end of year submission is the increasing complexity of the medical claims and billing procedures by doctors and hospitals. Although we are pleased with our progress, we are continuing our every effort to process these claims in an expeditious manner.

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HOW PLAN BENEFITS CHANGE IN JANUARY 1979

- * The Plan has added as a Basic Benefit (under the \$400 per person per calendar year hospital outpatient basic benefit) the payment of non-surgical charges by a doctor for emergency room treatment.
- * The Basic Benefit for Out-of-Hospital X-ray and Laboratory expenses is increased from \$100 per person per calendar year to \$400 per person per calendar year.
- * The Basic Benefit for private ambulance service is increased from \$25 to \$50.
- * The Basic Benefit for each doctor's medical visit unrelated to surgery while confined in a hospital is increased from \$10 to \$20.
- * The Plan has added as a Basic Benefit the initial reconstruction of the breast following a mastectomy which was performed while covered under the Plan.
- * Under Basic Benefits, the Plan now covers amniocentesis and related tests on the unborn child when medically necessary.
- * Under Basic Benefits, the Plan now covers as a surgical expense charges by a Podiatrist for the removal of plantar warts by chemosurgery, electrosurgery, or cryotherapy.
- * Under Basic Benefits, it is now specifically stated that voluntary sterilization is covered the same as illness or injury.
- * The Plan's definition of "confinement" has changed; thereby reducing the current three months restriction to 60 days.
- * The "if confined on effective date" restriction is removed.
- * These increased benefits for 1979 represents a biweekly cost to policyholders of \$.53. The remainder of our premium increase for 1979 was determined by the Plan's experience (the ratio of premiums to claims).